

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1019 - HB 973

March 1, 2013

SUMMARY OF BILL: Exempts all equipment used exclusively for harvesting timber from taxation as tangible personal property.

ESTIMATED FISCAL IMPACT:

Decrease Local Revenue – \$517,000

Assumptions:

- According to the Department of Agriculture, this bill will not fiscally impact the Department or their programs.
- Pursuant to Tenn. Code Ann. § 67-6-207(a)(4), equipment used exclusively for harvesting timber is exempt from state sales and use taxes when sold to a qualified farmer or nurseryman.
- According to information provided by the Comptroller, approximately 47 counties contain property used exclusively for harvesting timber which is subject to property taxation.
- According to the Comptroller, when conducting a survey of affected counties, it was estimated that each county will incur an average decrease in property tax revenue of approximately \$11,000 per year; thus resulting in a recurring decrease in local government revenue of \$517,000 statewide (\$11,000 per county x 47 affected counties).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

Lucian D. Geise, Executive Director

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